

Financial Aid News

WASHINGTON HIGHER EDUCATION COORDINATING BOARD

Issue 9 — October 10, 2002

In this issue:

- HECB announces new, enhanced Web site for aid officers
- American Indian Endowed Scholarship awarded to 23 students
- 2001-02 Unit Record Reports due next week
- SNG Work Group meets Oct. 10
- Budget crisis worsens as state forecasts longer recession
- Pell Grant deficit rises as more eligible students flock to colleges and universities
- Student loan default rates rise for first time in nine years
- Grants offset tuition increases for low-income students, report says
- Trustees association calls for severing link between federal student aid and accreditation
- *U.S. News* issues special report on paying for college
- Ig Nobel pursuits

HECB announces new, enhanced Web site for aid officers

Site moves to more secure location, with improvements for users

The Higher Education Coordinating Board has moved its secure Web site for aid administrators and added several features to make it easier to use.

The site was moved to a new URL in early October — <https://fortress.wa.gov/hecb/secure>. The new location provides greater security for exchanging sensitive and confidential information electronically between aid offices and the Board.

Enhancements to the site include a greater consistency to the appearance of pages within the site, the ability to log off



Higher Education
Coordinating Board

HECBFinancialAid@hecb.wa.gov

<http://www.hecb.wa.gov>

All material used
by permission.
Copyright laws apply.
The Higher Education
Coordinating Board
neither endorses nor
claims responsibility
for the accuracy
of information reported
from secondary sources.

the site from any page, and improved programming to reduce the time it takes to load pages.

Aid administrators may find that the biggest time saver on the new site occurs when their logon is timed out while using the system. In the new site, timed-out users are immediately directed to the logon screen. Once they re-enter their user names and passwords, they are automatically routed back to the page where they were previously working — and saved from wading through menus to return to their tasks.

Aid officers use the site to submit reports, review State Need Grant student award histories, access State Work Study employer information, determine student eligibility for programs like GEAR UP and TRIO, and a variety of other administrative functions.

American Indian Endowed Scholarship awarded to 23 students **Recipients demonstrate academic excellence, commitment to service**

The American Indian Endowed Scholarship selection committee has named 23 students who will receive scholarships for the current academic year.

The scholarships are awarded on a competitive basis to outstanding students with close social and cultural ties to an American Indian tribe. Recipients demonstrate academic merit and a commitment to serve the American Indian community in Washington.

Scholarship funds come from the interest earnings on an endowment established by the Washington Legislature in 1990, with matching contributions from tribes, individuals and organizations. The HECB administers the scholarship program.

Along with the 10 new \$1,000 awards this year, 10 undergraduate students will receive renewal scholarships for \$1,000 each, and three graduate students will receive renewal awards of \$1,500 each.

The press release announcing this year's awards, along with a list of recipients, is available online at the HECB Web site: [American Indian Endowed Scholarship recipients named](#).

2001-02 Unit Record Reports due next week **Deadline for edited reports is Oct. 14**

Edited Unit Record Reports for 2001-02 are due at the Board by Oct. 14, 2002. The data from these reports help support the need for funding state financial aid programs.

Aid administrators can find the Unit Record manual, instructions for downloading, installing, and using the Data Entry/Edit program, and other information needed

to complete the report at the Board's [Unit Record Reporting Web site](#). If you have questions, please contact Bruce Parrish at brucep@hecb.wa.gov or (360) 753-7853.

To date, 26 institutions have submitted their reports, which staff says will help speed up the processing of Unit Record data. The Board extends its thanks to those schools that have been able to submit their reports before the deadline.

SNG Work Group meets Oct. 10

The State Need Grant Work Group, made up of aid administrators and Board staff, will meet today at Bates Technical College South Campus. The Work Group will discuss year-end program closing, use of the final interim report to replace year-end reconciliation, and the current budget situation.

If you would like more information about the Work Group, contact Colleen Scovill at colleens@hecb.wa.gov or (360) 753-7850.

Budget crisis worsens as state forecasts longer recession

State faces shortfall of at least \$2 billion in the coming budget cycle

Washington's lethargic economy won't be springing back to vitality any time soon, according to recent economic forecasts. Dr. Chang Mook Sohn, the state's chief economist, announced last month that the economy is not expected to recover fully from its recession until late 2004. The news came on the day that the state's unemployment rate became the highest in the nation.

The Seattle Times reports that so far during this recession, Washington has lost 2.5 percent of its employment base, almost twice the national figure. Metropolitan Seattle has been hardest hit. Boeing alone has laid off 20,000 workers in the state in the past year.

The drooping economy continues to be bad news for state government. Declining revenues now place an anticipated budget shortfall at \$2 billion or more for the 2003-05 budget cycle.

It's an ominous gap for lawmakers and budget officials. State budget director Marty Brown noted that the \$2 billion was equal to the combined total budgets of the Department of Corrections and the community college system.

The *Times* article is available online: [Olympia faces budget hole as state forecasts longer recession](#).

Pell Grant deficit rises as more eligible students flock to colleges and universities

\$1.4 billion shortfall sparks debate about priorities for the program

A growing shortfall in the Pell Grant program is sparking debate, and some worry, among college administrators and education policymakers, according to an Oct. 4 report in *The Chronicle of Higher Education*.

In fiscal year 2002, which includes parts of two academic years, 230,000 more students received Pell Grants than the Department of Education projected. As a result, the program's deficit has now swelled to \$1.4 billion, even after Congress and the Bush administration approved a \$1 billion emergency bailout in July.

Some college officials attribute the increased demand on the program to a declining economy, which translates to more eligible students pursuing postsecondary study. In Butler County, Kansas — where Boeing has laid off thousands of workers — the local community college has seen a dramatic surge in new enrollments, 400 of whom are Pell eligible. Pell expenditures at Butler County Community College are now at \$3.6 million, up \$1.1 million, or 44 percent, from the previous year.

The story is no different in this state. After several years of modest seesawing in the numbers of Pell recipients, 2001-02 brought a one-year 10 percent jump in Pell eligible students at Washington colleges and universities — from 70,952 in 2000-01 to 78,056 in 2001-02. Pell expenditures in Washington rose more than 23 percent in the same period, from \$133 million to \$164 million.

The *Chronicle* notes that the deficit has college officials debating a number of questions: "Why were the estimates off by so much? Has enough money been provided to make up for the deficits? Do those deficits matter? And should supporters of the program focus on fixing the shortfalls for this year, or on trying to get more money for next year?"

One proposed solution discussed by Department of Education leaders is to reduce maximum grant amounts while ensuring that all eligible students receive something. However, many in the Bush administration — afraid of being cast as "anti-education" by Democrats — are reluctant to wield such cost-cutting power.

The article is available online to *Chronicle* subscribers: [\\$1.4-billion deficit prompts debate over Pell Grants](#).

Student loan default rates rise for first time in nine years

The national student loan default rate rose slightly in fiscal year 2000, the first increase after nine years of steady decline. The rate climbed to 5.9 percent, up from 5.6 percent the year before.

Although the rise in defaults has disturbed some in Congress, loan advocates and U.S. Department of Education officials argue that a small increase over a one-year period is not cause for alarm, according to an article in the Sept. 25 *Education Week*.

"Next year's numbers will be a much better indication" of any emerging new trend, said Kenneth E. Redd, director of research and policy analysis at the National Association of Student Financial Aid Administrators.

"This is only the second [year] in history the default rate's been under six percent," said Deputy Secretary of Education William D. Hansen. "We need to keep it in a relative perspective as to where we are."

Default rates began falling in 1992, when they had reached an all-time high of 22.4 percent.

The article is available online: [College-loan defaults up, reversing 9-year trend](#).

Grants offset tuition increases for low-income students, report says **Middle- and upper-income students lost ground since 1992-93**

While the sticker prices of attending college shot up between 1992-93 and 1999-2000, a new report finds that grant aid helped keep out-of-pocket expenses steady for the lowest-income students.

The findings are included in a U.S. Department of Education report, available online: [What students pay for college](#).

Tuition makes up the largest share of increases in college costs. During the eight-year period covered in the report, average tuition at public research and doctoral institutions rose from \$4,000 to \$4,800.

The study found that because of increased federal, state, and institutional grant aid during this period, "No increases in net price were detected for students in the lowest income quartile or for those students with the highest need."

Middle- and upper-income students, meanwhile, paid more for college by the end of the eight years — and many met that need by an increased reliance on loans.

An article summarizing the reports findings is available to *Chronicle* subscribers: [Availability of grants largely offset tuition for low-income students, U.S. report says](#).

Trustees association calls for severing link between federal student aid and accreditation

The American Council of Trustees and Alumni argued last week that the federal government should no longer require colleges and universities to be accredited to participate in federal student aid programs.

The report contends that accrediting groups bring their own biases and political agendas to the accreditation process, often seeking to subordinate the academic goals of institutions to their own social vision. In the process, accreditors effectively “hold a gun — the threat of withholding federal funds — to the heads of institutions.”

In an interview with the *Chronicle*, George C. Leef, director of higher education policy at the trustees’ group, argued for scrapping the entire accreditation system in favor of a more focused approach on those institutions that are clearly not doing well by their students.

“Rather than accrediting all grocery stores for food stamps,” Leef said, “we make ineligible stores that commit fraud. So, instead of making Harvard and UVa and Amherst go through this process, we should focus on the few bad actors where students are really getting scammed.”

The report is available on the Internet: [Can college accreditation live up to its promise?](#) Subscribers can read the *Chronicle* article about the study online: [Group criticizes link between accreditation and federal student aid](#).

U.S. News issues special report on paying for college

If you’re wondering what your families are reading, you might check out the Sept. 30 print edition of *U.S. News and World Report*. The magazine published a special report on paying for college, which includes the following subjects:

- Paying for college: Why does it cost so much?
- Who gets what? An inside look at how colleges gauge your financial need
- A truce in the scholarship bidding wars?
- Saving grace: Shaky markets have made paying tuition tougher, but new state savings plans are still a great deal

The articles are no longer available online, but you can access the magazine’s extensive offerings on college planning — including several pages devoted to financial aid: [U.S. News financial aid Web site](#).

Ig Nobel pursuits

Looking for evidence to convince a skeptical public about the value of higher education?

Look no further. Three student groups at Harvard last week announced the winners of the 10th annual Ig Nobel Prizes. The prizes honor academic achievements that the groups say “cannot, or should not, be reproduced.”

Among this year’s winners:

- **Biology:** Norma E. Bubier, Charles G.M. Paxton, Phil Bowers, and D. Charles Deeming of Britain, for their study, “Courtship behaviour of ostriches towards humans under farming conditions in Britain.”
- **Interdisciplinary research:** Karl Kruszelnicki of the University of Sydney, for performing a comprehensive survey of belly-button lint.
- **Literature:** Vicki L. Silvers at the University of Nevada – Reno and David S. Kreiner of Central Missouri State University, for their report, “The effects of pre-existing inappropriate highlighting on reading comprehension.”
- **Physics:** Arnd Leike of the University of Munich, for demonstrating that beer froth obeys the mathematical law of exponential decay.

Prize organizers insist that, while the prizes are intended to make people laugh, they also celebrate what *The Boston Globe* calls “the unconstrained creative mind, the joy of intellectual inquiry and discovery, and the scientific process.”

The full list is available online to *Chronicle* subscribers: [Belly-button lint and beer-bubble decay are among subjects studied by 2002 Ig Nobel winners](#). The *Globe* report can be found at: [Ig Nobel awards show human side of science](#).